

Message Text

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ACTION EB-08

INFO OCT-01 AF-10 ARA-10 EUR-12 EA-10 NEA-10 ISO-00

SOE-02 AID-05 CEA-01 CIAE-00 COME-00 DODE-00

DOE-11 H-01 INR-07 INT-05 L-03 NSAE-00 NSC-05

OMB-01 PM-05 USIA-06 OES-07 SP-02 SS-15 STR-05

TRSE-00 ACDA-12 /154 W

-----022048 281445Z /43

R 272222Z DEC 77

FM AMEMBASSY CARACAS

TO SECSTATE WASHDC 0525

INFO USIA WASHDC

AMEMBASSY ABU DHABI

AMEMBASSY ALGIERS

AMEMBASSY BONN

AMEMBASSY BRASILIA

AMEMBASSY DOHA

AMEMBASSY JAKARTA

AMEMBASSY JIDDA

AMEMBASSY KUWAIT

AMEMBASSY LAGOS

AMEMBASSY LIBREVILLE

AMEMBASSY LONDON

AMEMBASSY MANAMA

AMEMBASSY MUSCAT

AMEMBASSY OTTAWA

AMEMBASSY PARIS

AMEMBASSY QUITO

AMEMBASSY ROME

AMEMBASSY TEHRAN

AMEMBASSY TIKYO

AMEMBASSY TRIPOLI

AMEMBASSY VIENNA

USINT BAGHDAD

AMCONSUL DHAHRAN

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USIA FOR IOP/M

E.O. 11652: GDS

TAGS: ENRG,OPEC, VE

SUBJECT: CARACAS OPEC CONFERENCE: PEREZ PROPOSAL

REF: CARACAS 12394

1. PRESIDENT PEREZ CONTINUES TO EXPRESS OPTIMISM, PRIVATELY AS WELL AS PUBLICLY, THAT OPEC WILL SHORTLY ADOPT HIS PROPOSAL TO INCREASE OIL PRICES FIVE TO EIGHT PERCENT AND USE THE FIRST YEAR PROCEEDS TO PAY OFF THE DEBTS OF OTHER THIRD WORLD COUNTRIES. MEETING WITH LEADERS OF HIS ACCION DEMOCRATA PARTY DEC. 22, HE REPORTEDLY TOLD THEM HE EXPECTS HIS PROPOSAL TO BE ADOPTED AT THE NEXT OPEC CONFERENCE IN MID -1978. HE APPARENTLY HAS BEEN EVEN MORE POSITIVE IN PRIVATE. JAN DE ONIS OF THE NEW YORK TIMES HAS TOLD US THAT AT A DINNER HOSTED BY PEREZ DEC. 21 FOR THE FEW OPEC MINISTERS STILL IN TOWN AND SOME MEMBERS OF THE PRESS, THE PRESIDENT TOLD HIM THERE WAS A GENTLEMAN'S AGREEMENT AMONG THE OPEC MINISTERS TO HOLD A SPECIAL MEETING WITHIN THE NEXT THREE MONTHS TO CONSIDER HIS PROPOSAL. DE ONIS ADDED THAT WHILE HE PERSONALLY DOUBTS THAT ARAB MINISTERS CONSIDER SUCH AN AGREEMENT TO EXIST, THE PEREZ PROPOSAL COULD BE CONSIDERED IN THE NEAR FUTURE IN A MEETING OF THE OPEC FINANCE MINISTER, WHICH MIGHT BE A MORE APPROPRIATE FORUM, ALTHOUGH HE STILL THINKS IT UNLIKELY IT WILL BE ACTED UPON QUICKLY.

2. COMMENT. MOST PRIVATE COMMENTS HEARD LOCALLY SEEM TO AGREE THAT WHATEVER ADVANTAGES PRESIDENT PEREZ MAY HAVE GAINED ON THE DOMESTIC POLITICAL SCENE AND AMONG THE OTHER THIRD CONFIDENTIAL

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WORLD COUNTRIES, HE AND VENEZUELA HAVE LOST STANDING WITHING OPEC AS THE RESULT OF LAST WEEK'S MEETING. THERE IS EVERY INDICATION THAT HE PUT HIS PROPOSAL TOGETHER AT THE LAST MINUTE, ALTHOUGH IT CLEARLY IS IN KEEPING WITH HIS STRONG ADVOCACY OF INCREASED ASSISTANCE TO THE THIRD WORLD AND IS SIMILAR TO IDEAS HE HAS EXPRESSED BEFORE. IT ALSO REPRESENTS THE VIEWS OF MINISTER MANUEL PEREZ GUERRERO, WHO WAS A MEMBER OF THE VENEZUELAN OPEC DELEGATION, AND MAY REFLECT HIS DISAPPOINTMENT AT THE OUTCOME OF THE CIEC MEETINGS EARLIER IN THE YEAR. ACCORDING TO ONE LOCAL PAPER, THE PROPOSAL CAME AS A SURPRISE TO ENERGY MINISTER VALENTIN HERNANDEZ.

3. THE PRESIDENT'S REFERENCE TO AN AGREEMENT TO MEET IN THREE MONTHS MAY HELP TO EXPLAIN EARLIER RUMORS THAT A SPECIAL MEETING OF OPEC MIISTERS WOULD BE HELD BEFORE THE NEXT SCHEDULED MEETING IN JUNE. OTHER POSTS WILL BE BETTER ABLE TO COMMENT ON THIS AS THEY HAVE AN OPPORTUNITY TO ASSESS THE VIEWS OF THE RETURNING DELEGATIONS.
VAKY

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Message Attributes

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Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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TAGS: ENRG, OCON, VE, OPEC, (PEREZ, CARLOS ANDRES)
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